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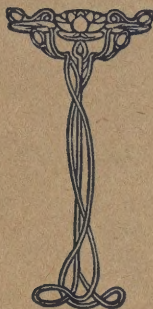
CANADA

# REPORT

OF THE

# FOOD CONTROLLER

HON. W. J. HANNA, K.C.



TO THE

RIGHT HON. SIR ROBERT BORDEN, G.C.M.G.

PRIME MINISTER OF CANADA

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**REPORT**  
**OF**  
**THE HON. W. J. HANNA, K.C.**  
**FOOD CONTROLLER**

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January 24, 1918.

The Right Hon. Sir ROBERT L. BORDEN, K.C., K.C.M.G.,  
Prime Minister,  
Ottawa, Ont.

DEAR MR. PREMIER:

In tendering my resignation as Food Controller of Canada, I desire to review the work of Food Control during the tenure of my office and to outline to some extent the conditions which have affected and governed it. It has been about six months since you assigned me the honourable post I have since occupied. I have under another cover, in my letter of resignation, explained the reasons which have induced me to hand the reins of office to a successor, who is, I believe, wholly acceptable to your Government, and who I feel assured will be equally acceptable to the people of Canada; and it is, therefore, unnecessary for me to here enter into any personal details in respect of that.

**Food Control in Europe.**

The question of food control is a very wide and complex one, and as a prelude to my report I wish to refer in more or less general terms to precedents which already exist. In the history of warfare prior to that of the present war, there has never been an official in any country in conflict whose duties corresponded to what, in all the countries now in war, belong to those of Food Control or Food Administration. In Great Britain, in France, in Italy, in the United States, and in several of the British Dominions the exigencies of the food situation, as an important factor in deciding victory, food controllers have been appointed to especially administer the supply of food both for the armies in the field and for the civilian



population; but they have had to hew out policies of their own according to the peculiar conditions of each country, without tradition or precedent to guide them. The military authorities of Germany, with their wonderful genius for organization and preparedness, had long before the war carefully and scientifically thought out the food problem in operations of a war that might be protracted far beyond their military expectations. They left nothing to chance and almost as soon as war was declared the nation was put on a food ration, and a food control was set in action that would have only been possible with a people trained "to the highly organized discipline and minute administrative control characteristic of the German people and their government" as an American writer expresses it. But so elusive is food of an effective control in respect of rationing and price-fixation that even in Germany, where political conditions were so favorable to success, success has only been partial, and in important instances efforts for regulation have been a failure. The burden has not been laid on all people equally or equitably, and to quote again from the writer already referred to, "That the restrictions in the diet during the past year and a half have fallen almost entirely upon the industrial workers of the cities is fully realized by the industrial classes and represents a *casus belli* between them and the agrarians that will be the occasion of bitter political contests after the war. The harsh treatment inflicted by the peasants during the past summer upon city children sent to the country for recuperation has only intensified this bitterness." So, that the German experience, even if our democratic instincts did not suggest it, would dictate a policy of food administration based upon the nutritive requirements of the people who have to do the hard work of the nation in a time of war and that in regard to staple foods, or what may be regarded as the necessities of life, there should be one standard or a set of standards of diet for rich and poor, such standards as in many food products it is the endeavor to set in Canada and the United States.

Germany's success in conserving food has been principally in rationing and in respect of keeping the price of bread and meat down to about pre-war rates, but that has been accomplished by buying supplies and selling at a loss to dealers, the loss being borne by the nation as a whole. In all perishable food products Germany has not been able to successfully contend with the problem, and no system of food control which has not the co-operation of the people as a whole can be made to work out according to any schedule. Even if Germany with her highly systematized and scientific methods could have solved the problem, it would have been on account of the disciplined masses and her system would not have appealed to

the democratic Allies. It may be, and it probably will be, in the much longer continuation of the war that her system or some system of rationing will be adopted in America, as well as in Great Britain, France and Italy, where it is now being considered, but it is one repugnant to the spirit of freedom which exists in all these countries, and will be adopted only as a last resort, upon the failure of a majority of the people to respond to voluntary conservation of food. Germany's methods and her peculiar psychology afford an interesting study. Her food, like her war psychology led her astray in many directions, although the resourcefulness of her economic and fighting experts have been sufficient to partially retrieve mistakes and create new, if only temporary, expedients. Through the depletion of man power and the weakening of working industrial units Germany has not been able to keep up the efficiency of pre-war times. Production has decreased, agricultural lands have been less productive through lack of fertilizers, and distribution through decreased efficiency of transportation has not been maintained evenly or equitably. By reason of the very elaborateness and complexity of internal food control in respect of all perishable food commodities, evasion of the regulations designed to prevent profiteering, extortion, speculation, hoarding and inequitable distribution in the country districts which operated unfairly and burdensome upon urban centres, was comparatively easy and constantly practised. The control through war operations of the rich producing sections of Poland, Courland and Roumania, to which by inactivity on the eastern front Germany has been able to send several millions of men to work as agricultural laborers, has spared Germany from practical starvation. German methods of food control cannot, therefore, be regarded as examples of problem-solving in any of the allied countries, more particularly in Canada or the United States.

The fundamental principles of food control in Germany present essential differences as compared with those of Great Britain, France and Italy. The people of Great Britain of any class or social grade, have not been thrifty as the people of France have been thrifty, and they have neither been conservors of food nor scientific in their production as the Germans have been. When, therefore, Lord Devonport became Food Controller his path was beset with many difficulties, and the task of Lord Rhondda, his successor, though more vigorously performed, was not less easy. Great Britain did not realize until the war had been going on for some time just how serious the food problem was. The situation in Great Britain had, however, one advantage over the situation in France in as much as in economy, in area of production and in



available man-power and unused food resources there was opportunity for large increase; whereas in France thrift was always at its maximum, the land was tilled to its utmost and every man of military age or fit for the industries of war was commandeered. England with only twenty-five per cent of her area under cultivation has increased it by several millions of acres with a corresponding increase of production. The Food Controller of Great Britain has very sweeping powers. He may, as they have been described, make absolute orders controlling the production, manufacture, storage, transport, distribution, purchase or sale, use and consumption of any article of food. He is not a food controller; he is literally a food dictator. By a stroke of a pen, by ukase, Lord Rhondda swept away all game and fish preserves and exclusive rights on land and surrounding sea for purposes of food production. I could not without undue length outline all the activities of Lord Rhondda—the enforced allotment of land, the extension of credit to farmers, the utilization of labor and the establishment of food-producing industries, the rehabilitation of the fisheries industries, the control of all foreign purchases, the importation and distribution of foodstuffs, the fixing of maximum prices and sales regulations of all food grains and their products, the close control of sugar, the regulation of eating houses, the reduction in the use of wines and spirits and the campaign of food economy and production generally. Notwithstanding the extensive powers of the British Food Controller, however, and his theoretically complete control, certain results have not been satisfactory. Regulations conceived in the best of good intentions have been several times revised, and complaints today are numerous. There are principles which might govern any dietetic regime exceedingly difficult, if not impossible, to apply to a diversity of tastes and a variety of conditions which exist in every community and country. As well expressed by Mr. Herbert Hoover “Any control of prices or distribution is the lesser of evils; a fight against something worse. Any form of control leads into economic reactions that are disconcerting.” That has been the experience of all the countries at war. Food in times of peace is always a problem, and must be many times more a problem in a time of war such as we have now, when every producing area of the world and every avenue of transportation and distribution is affected by it.

The one thing which most affects the mind of the consumer, which means the people as a whole, irrespective of what they individually have to sell, is the price of food, regardless too, of the conditions which create the prices. They compare it with previous prices and prices in normal peace times, and hold the Government,



and through its agency, the food control, responsible. As will be shown demonstrably clear later on, in addition to concrete results effected by Government regulation, the food administration is responsible only for prices and conditions that might have been ameliorated by efficient control. The only people who have been consistently patient and reasonably considerate throughout the war have been the people of France as a nation. The indomitable spirit of resignation to immutable facts has led the French people to accept a situation which despite frequent changes of Government, they knew was unavoidable and to plod on to victory or death.

The food situation in France was simple. It was determined at the outset by plain conditions. France had to exert at once its full force as the next best prepared military power to Germany in Europe, against a power directly its enemy, whose speedy entry was a determining factor in the war. In France every man of military age was a soldier, and the quick substitution of the old, the women and the young was a necessity. Decreasing production and dependence upon importation of foodstuffs became inevitable, and without a detailed consideration of food policy the necessity of food control was obvious. France followed on the lines of necessity, and exercised all the powers it decreed advisable in the direction of conservation, production and distribution. Restrictive regulations in matters of food are a matter of domestic record. But in the case of France, and the same is true of Italy, no amount of domestic regulation could save the situation in a great crisis, a crisis such as actually exists, without dependence upon North America.

Despite the fact that the people of France, used to methods of thrift, responded to the demands of the Food Controller more readily than those of any other of the Allies, the subject of putting them on a war ration is now being seriously considered. Food Control in France has not effected what has been expected of it.

All of the maximum price laws and decrees which are intended to suppress illicit speculation and to prevent inflated profits have been subject to much discussion. Some of them have even been revoked; and some of the maximum prices have been abolished, as, for example, those for potatoes, milk, butter, and cheese of all kinds. The outcome of the whole French debate is an agreement with the conclusion reached in other countries, namely, that maximum price measures can be enforced with success only in the case of commodities the supply of which is under the control of the Government. Where the supply is not thus controlled, maximum price measures afford little relief. If not considered high enough by the producers, they tend to force the commodities covered by them out of the open market.

Italy, too, early in the war put into effect a measure of food regulation, not so extensive or rigorous as in Great Britain and France, but it has gone steadily forward on parallel lines and is practically on a system of rationing in many of the cities. General remarks as to the results of food controlling in France apply to Italy; but Italy was handicapped by the fact that each of the provinces had independent control, the result of which was witnessed in the absurdity of each of the provinces victualling its own army, or wing of the army sent to the war. From the point of view of the mobilization of her food resources, Italy was totally unprepared, and when the loose interstate system failed, as it was bound to fail, she hastily adopted an arbitrary system of food control of which the rationing of individuals was an integral part. This gave rise at once to such an irregular distribution as to threaten the entire political fabric.

This brief review of food conditions of the principal countries at war in Europe, will serve to illustrate to some extent the rather radical differences between the systems adopted on the Continent and those in Canada and the United States. Drs. Kellogg and Taylor in their book entitled "The Food Problem" say, and their observations are most apt:—

"Any account of the attempts of England, France and Italy at food control should be rich in suggestions to us of America as to what to do and what not to do in our own endeavors, only fairly begun as yet, to solve our food problem.

"Take, for example, the question of the effect and the advantage of establishing maximum prices. Germany, Italy, France and England have all leaped at this presumably simple solution of the problem of profiteering and distress of the consumer. But it is now obvious that this is no simple solution; it is doubtful indeed, if under any but the circumstances of an absolute governmental control of the bulk of the commodity priced it is any solution at all. For its application immediately creates new problems; most conspicuously, the problem of keeping the commodity in the market. Fix a price for food at a price lower than the producer believes he should receive and the commodity vanishes from sight and access.

"Also, we must recognize that with all the best will and best work in the world, all endeavour to keep prices down in war time is met by an irresistible force which tends to push them up. The prices of foodstuffs in the warring countries have steadily mounted until now, taking all the commodities together and striking a rough average, food can fairly be said to cost in England, France and Italy fully twice, and in Germany three times, what it did at the time of the outbreak of the war."



In connection with the continental situation, however, there were two or three notable results achieved. One was the handling of bread, the main factor of food, and the other the care of the children. In fact, for war purposes, including the military and civil populations, there were four food essentials—bread (of some cereal composition and standard), meat, fats and sugar. The price of these was regulated in various arbitrary ways, but in respect of bread, the staple diet of all peoples, in every case a war standard was adopted and the price was kept low by state purchase of flour and charging losses on bread production to state treasuries. In Europe a percentage of the population is always close to the bread line, and a large percentage is poor in our sense of wealth, so that the price of bread was everywhere an essential consideration and was regulated at national expense.

Casual observers in Great Britain, France and Italy have endeavoured to discount statements as to the urgency of the food situation, which in France and Italy is not short of desperate, by reference to the physical condition of the children, who appear to be, and as a rule are, healthy and well-nurtured. The reason for this would be obvious even if it were not well known. The children have been the first care of the nations at war, as nations, and as individuals. Parents, especially mothers, deny themselves that their children may not go hungry.

### U. S. Food Administration.

When we come now to the United States and Canada, which, always in the midst of plenty, were the last to undertake food control, the Hon. Herbert Hoover, who had experience of the European situation through his work in connection with Belgian relief, formed certain clearly defined theories about the economics of regulating food, and I may say that without at all comparing notes, and reasoning quite independently, I came to conclusions practically identical. It seemed to me obvious from the very outset that you cannot set arbitrary prices upon food or any other products, the original cost of whose elements vary at every stage, without upsetting the entire economic apple cart. What only can be done, without the nation actually taking over the business of production itself, is to take charge of the product after it leaves the hands of the producer and see that not more than a reasonable pre-war profit is made by the dealer, that there is an even flow of distribution, and that overhead charges are kept as low as possible. In a nut-shell, that is what legitimate food control means. So expressed, it sounds

like a very simple proposition, but the working of it out in practice is quite another matter. The principle adopted by the United States is essentially democratic. Although certain almost autocratic powers have been obtained by legislation in order that what is necessary in food control may be made effective, the aims of the Food Administration in the United States and those of the Food Control in Canada have not been to achieve results by mandatory means, but by the voluntary co-operation of the people.

Mr. Hoover, prior to his formal appointment, had studied the subject of food control very thoroughly, and in conjunction with a small group of men who had been associated with him in the work of Belgian relief, he planned a programme upon the broad lines of which everything has proceeded since. He has created an organization which in Washington alone involves the employment of over 1,500 persons, divided into a great many classes according to the nature of the subject to be dealt with. In addition to the federal organization, there is an organization in each State at the head of which is a State administrator. Mr. Hoover has enlisted the voluntary work and co-operation of a great army of press men, clergymen, teachers, speakers and others. According to the principles upon which food administration is founded in the United States and Canada, its efforts are mainly directed towards educating the people to a realization of the value of food as a factor in the war. The amount of publicity in all its various forms, which is carried to every corner of the nation, is vast in extent.

The appropriation for administrative purposes this year is about \$5,000,000 and is likely to be largely increased next year.

Each food staple and each special activity is handled by a division, the heads of which are business and other experts who give their services free to the state.

The policy of control is, in non-perishable products, not price-fixing but the stabilization of prices determined by conditions of trade from time to time, and, in perishable commodities, the fixing of a reasonable profit based on a reasonable pre-war rate, not upon single transactions, but upon transactions in the aggregate for fixed periods.

The great lever of control is not legislative enactment but the licensing of dealers, whose existence as such depends upon good business behavior.

No show or threat of compulsion is made, but the voluntary co-operation of dealers and the public generally is sought, and no compulsion is exercised until other efforts fail. The business



element of the United States, now that the situation has been made clear through an enlightened campaign of publicity, is responding freely to appeals made by the Food Administrator.

Without making further reference to the principles governing Food Administration, it may be stated here that broadly they are the same which govern and have governed in Canada since I took office, and I anticipate that in both countries the cases will be exceptional in which enforcement by processes of law will be necessary.

Another matter in respect of both countries may be explained. It is pointed out that prices are still high, and in some instances higher than ever, and many persons want to know what have been the concrete results of food control. This can be best answered by asking them to consider what would have been the prices of commodities if no food administration machinery had existed. No one will argue that the Food Controller can control the cost of production of food commodities—that is, the first products of the soil—and it is obviously impossible to fix generally the profit the producer should add to his costs. It has been pointed out by Mr. Hoover, U.S. Food Administrator, for instance, that had it not been for the stabilization of the price of wheat and the efforts of control generally, wheat would have gone sky-rocketing, and the price of bread, which is back to 7c and 8c per lb. in the United States, would probably have been 25c per lb. Another instance is given by him in the case of sugar, which might have been unattainable by any but the rich had it not been for a sane and satisfactory solution of the sugar problem. The figures go to show almost invariably that while the cost of produce at the hands of the producer has doubled, the price to the consumer has not by any means increased in the same ratio. Some articles are as cheap as they were before the war. I may add that by conserving food, the cost of living may be reduced, although prices may still remain high. And here let me say that the frequent statements made that food is dearer in Canada than in the United States or in Great Britain and France, are untrue. Generally speaking, without going into statistics, food commodities are much dearer in Europe than in America, and cheaper in the scale as a whole in Canada than in the United States. In the staple commodity of bread, the loaf is cheaper in England than in Canada, but bread in Great Britain is nation-controlled and fixed in price as a war bread, lower in wheat flour content than ours. The loss as between the import price of wheat and the bakers' price of bread is charged to the Treasury and is paid for in general taxation.

In reply to the appeal for substitution say, corn for wheat and fish for beef, many, as a conclusive argument against it, point to the fact that some of the substitutes are dearer than the things substituted. They forget that price is not the vital issue and that it is their duty to eat substitutes for wheat and meat when and wherever they can, even at a higher price, the vital thing being the saving of meat and wheat to send to our Allies in Europe.

### **The Canadian Situation Reviewed.**

When the necessity of food control became apparent there were special difficulties in the way in Canada. The people of Canada since days of pioneer farming had never been used to any stint of food or regulation of diet other than that imposed by individual means. In respect of that they resembled very much the people of Great Britain before the war in sharing a traditional belief in their right to eat and drink what they liked and in whatever volume it pleased them. There was a difference, however, in actual conditions between the two countries. In Canada the scene of war seemed very remote, and except that men, whose relatives embraced practically everybody, were being mobilized and sent away to England and France, we hardly felt that we were involved in war at all. In Great Britain there was always imminent the danger of invasion by the enemy. In fact, there were frequent invasions by air. England was practically within sound of the great guns in France and Flanders. In addition, the people of Great Britain well knew their insular position, and well understood the significant fact that they had always been importers of the necessities of life in a large way, and quickly adapted themselves to the new and urgent requirements of eating less, wasting less and producing more. In Canada, practically a self-sustained country, always with plenty, to fully impress its people with the necessities of the situation, required a nation-wide and well-organized campaign of education, one comparable with that which has been undertaken in the United States where conditions of a nature similar to our own have always obtained.

The difficulties of the position of a Food Controller have been well expressed by Lord Rhondda, Lord Northcliffe, Mr. Hoover and others, whose statements need not be reproduced here; but I did not myself realize fully the magnitude of my task in Canada until I had, at the request of yourself as head of the Government, undertaken the duties of my office. The problem, I may say, did not consist so much in the big things, because organized industry and distribution can be handled by the very reason of the definiteness and intelligence of its organization, but in the great multitude



of small things as they individually affect the mass of population, made up of producers, dealers and consumers. Though considered in all three capacities these interests should not be regarded as antagonistic to each other, yet each man in his own capacity views them from his peculiar angle, and very often without considering how his interests affect all other interests. So a great diversity of opinion immediately arises as to how any line of food business should be dealt with just as soon as a specific proposition is laid down, each opinion to a large extent and quite naturally, too, based on individual effect. I could from our files, give you any number of concrete instances illustrating just how this has worked out in actual practice, but the truth of the general statement will be obvious to you and should be to the public at large.

When I took office, as you are well aware, the high cost of living and the constant increase in the price of food which had extended over a period of twenty years, and which was naturally accentuated by war conditions, was an absorbing question. As every unit of the community is a consumer, the matter uppermost in the mind of the public was how the cost of his living could be reduced. Every business and producer, without regard to the relation which his own business and his own profits bore to the situation as a whole, thought it could and should be reduced by intervention of the Government. The situation was very acute in that respect, and added materially to the difficulties of the Food Controller, who was expected in some magic way to bring down the price of everything to be consumed, while being without power to control any of the factories that entered into the cost of production, and the object of whose appointment in conformity with what had been done in all the Ally countries was most imperfectly understood. I shall deal more explicitly with the subject of food control as I proceed, but what the public at first failed to understand, and what I endeavored to make plain, was that there was something even more important than reducing the cost of living in Canada, though that was one objective. What that supreme consideration was is the winning of the war, and the requirements for that purpose are summed up in a statement made by me:

“Far greater than the necessity of production for home supply is that for the supply of Great Britain and our Allies.

“Great Britain is producing more of foodstuffs than for many years, but the supply is, of course, wholly inadequate for her population and her armies.

“Belgium is practically all in the hands of Germany, so also is a considerable portion of France, Serbia, Roumania, and Russian Poland, and now a portion of Italy, are in the hands of the enemy.

"The productive power of our Allies is lessened by the number of inhabitants in arms.

"The situation in France and Italy from a food point of view is serious, and that is **what makes the demand in Canada and the United States for conservation of resources and increased production so imperative.**"

"To feed the Allies is the paramount duty of North America. It is far greater than the necessity of production for home supply or the cost of living. Unless the war is won nothing matters."

When the Food Controller was appointed the people were demanding cheaper food and they thought that the office was created solely for the purpose of reducing prices. The real problem, however, which the people did not understand—because they did not realize the seriousness and vital character of food as a munition of war—was to conserve food and to devise means by which greater quantities could be released from domestic consumption for consumption overseas. The second part of the problem, no less serious than the first, was how to increase production. The reduction in prices which the people expected would have been disastrous to both objects. It has been suggested that another name than Food Controller would have been preferable, but it is doubtful if any form of title would have turned the mind of the people from their pre-conceived idea of what was needed. The very natural disappointment of a man or woman whose whole thought was centered upon how his or her pocket-book would be affected went far to prevent that whole-souled and universal co-operation with the Food Controller's office in other directions as well, which is necessary to the fulfilment of the real purposes in view. To such popular misconception originally existing, which found expression in hundreds of newspapers and magazines, is attributable the severe criticism to which my office and myself in particular were subjected. The fact that an election was pending and actually under way, tended to seriously prejudice the mind of the people as to the usefulness of the work I could perform.\* I appreciate as well as any one, that in politics any stick is good enough to beat a Government with, and I bore up cheerfully enough, satisfied that when the facts were known and understood, the kind of criticism levelled against the office would cease, as in a great measure it has for some weeks past.

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\*When writing the preliminary section of my report I asked Mrs. Muldrew our expert in Domestic Science who attended a great many meetings of women throughout the country and mingled freely among those interested in our food problems from one point of view and another to give me in a succinct form the difficulties which she had to face and the attitude of mind in which she was received and she gave me the following, which is of special interest in this connection:

"In my experience in speaking on the subject of Food Control I found the public did not know the gravity of the crisis, that they were very much prejudiced against the Food Controller, that they were eager for information and were ready to do anything asked as soon as they knew the need. I found the chief objection seemed to be the cost of staples, notably milk. They thought



When I accepted office as Food Controller I studied the situation very carefully and very seriously. I was guided not only by the knowledge of others in Canada whom I called into council, but by experience in Great Britain and by the attitude of Mr. H. C. Hoover, Food Administrator for the United States, whose qualifications for the part he fills are admittedly very high. I came to the conclusion that several things were essential, and my policy throughout has been based upon the consideration involved:

1. To stimulate production—to speed it up to its highest limit. The needs of increased production are based not so much upon our own home requirements, as upon those of the Allies. If the people of France and Italy starve (and they are on the verge of starvation), and if their armies are not fed up to the standard of fighting strength, the war will be lost. We must bear in mind, too, that before the next crop is harvested there will be six million men—British, Americans and Canadians—in arms at the French, Belgian and other fronts—men taken away from productive pursuits—to be victualled as well. If there be not enough food raised and saved so that we can spare for overseas the amount necessary there, then again the war is lost. I have tried with all earnestness, and the Food Control Administration has tried with all its might, to impress upon the public the great seriousness of production. And along with production go the other essentials.

2. To discourage waste, to conserve to the utmost everything that is of the nature of food, to utilize as food, products formerly overlooked or discarded, in order that we may release sufficient staple foods for export so supply the wants of all our Allies.

3. To economize and substitute in the use of foods of all kinds so that an equivalent may go abroad.

4. To work in harmony and co-operation with the food authorities of the United States, so that fighting in a common cause against a common enemy, the food resources of both countries may be so pooled and apportioned that the greatest possible surplus may be available for Europe.

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the Controller had been influenced and had allowed a Milk Combine to keep the price up. The farm women on the other hand were up in arms at the suggestion that food is too high and quoted to you labor difficulties and the loss of men from farms. The probe into bacon did much to prejudice the city people and the slanders against the Food Controller have hurt his work. In the end, however, the facts disclosed as to the rate of profits of the packers have had a strong reaction favorable to the Food Controller.

"I find also that the legislation in favor of withdrawing foodstuffs for distillation had done good but that the people needed to know from some one who knows exactly the situation. I think the people who can do most are the two forces that reach the bulk of the people continually—the teachers and the preachers. A section of the press has not been helpful but now, however, the tone is much more friendly. The section of the press referred to has been a great factor in fostering discontent and teaching a wrong attitude. The conception of this press was that the Food Controller was put in his office to lower prices and the cry seems to be for fixed prices.

"I found generally speaking there were several attitudes of mind: One was a premeditated hostility which could not be overcome; another was an attitude of ignorance in regard to the whole scope of food economics and this requires a great deal of patience and careful education; the third is an attitude of criticism not unfriendly in itself but on account of impressions gained through statements in the press. Questions based on these criticisms I found easy to answer and the result in every case was quite satisfactory when the situation was understood. Many expressed their attitude best by stating after I was through talking: 'I am glad to have had this explanation; we only wanted to know.'"

5. To prevent hoarding and "hogging." The steps that have been taken by me as Food Controller have been so effective, and the organization of the work of our committees has been made so complete, that I can state confidently that profiteering and speculation have been largely eliminated from the Canadian food situation. What has been done in this regard will be fully elaborated later on. As to the matter of fixing prices, which I was expected to do in some unexplained way, I have from time to time stated my position very clearly. What I have endeavored to do, and which I think I have done reasonably successfully, is, in the case of certain staple food products to establish a fair and safe margin of profit. I am not going to put forward the law of supply and demand as a basis, because all economic laws are subject to the exigencies of necessity. I lay down the simple proposition that the price of an article is based upon the cost of production and handling, with a reasonable profit added. When profit ceases production ceases, and as there is a great multitude of factors and conditions, each variable, entering into all other forms of production, no person has come forward to say how the price of each product can be fixed, which, while it might ensure a profit to some, would not mean loss to many others. To fix prices on all secondary products, like flour, bacon, etc., you must fix prices on every egg, pound of butter, bushel of grain, quart of milk, crate of fruit and so on that the farmer produces, and in the last analysis the Food Controller would be landed in a hopeless tangle of adjustments and readjustments. It is not possible to set up any such artificial system. I have not attempted the impossible, but have adopted regulations which, in the interests of all concerned, I have conceived to be best adapted to the system of doing business we have, and which in its essential features has existed since the world began to do business.

In going as far as we have gone, and in almost every respect what has been done conforms with what has been done in the United States, we have been faced with what at times seemed to be insuperable difficulties. We have had to deal with many diverse and selfish interests, and every step taken to better conditions has been opposed and often denounced by some section of the community or some special interest, every means being used to intensify prejudice against the Food Controller. We have heard a great deal about the selfishness and greed of the "big interests," but our experience—and I am now speaking for the Food Control in all its branches—has been that greed and selfishness in not confined to any one class, but that in business from the smallest producer to the biggest dealer, men are pretty much as they are built, and speaking for myself I can see no difference in principle between



profiteering on the basis of \$100 or a million dollars. We have been able to handle and control the big interests much more easily even than the small interests because they are easier to get at, and our task in the former respect would have been much easier still, had it not been for the international issues involved, and to those I shall have to devote a special section of my report. My doctrine is, and has been this : every person in Canada of mature years should regard himself or herself as a member of the food control, whose duty it is to produce all he can and sell all he can on the least basis of profit, and to conserve all he can and spare all he can. When the 400,000 Canadians and the first armies of Britain put on khaki and went to the front, they did not do so because they had to, but because they wanted to and it was their duty; so the producer, dealer and consumer in Canada who does not do his whole duty in the ways he can, is in the same class as the "slacker" and the "profiteer."

The office of the Food Controller was as a consequence devoted to a large extent to educational work, recognizing from the first, as already indicated, that the voluntary enlistment of the whole people in a campaign of waste elimination, food substitution and greater production, was essential, and that such enlistment would only be possible when the general public were thoroughly aware of the facts.

Hence the necessity of an educational campaign on a comprehensive and definite basis. If we have not the voluntary and wholesale co-operation of the people of Canada, having clearly in view the objects I have outlined, the efforts of the present or any Food Controller will be of little avail. I am more convinced now, as the result of our efforts, than ever before, that when the people of Canada as a unit realize the terrible seriousness of the situation, not only as it affects their own interests, but the interests of civilization throughout the entire world, they will answer as a unit to the appeal we have made. It is the same appeal that is being made in the United States and in every nation represented by the Allies. Cruel as have been the exactions imposed by their rulers upon the people of Germany and Austria in respect of service, food and supplies of all kinds, by those alone as auxiliaries to a mighty military organization have the Central Powers been able to carry on the war and almost grasp victory at several supreme moments. If in such a cause people save, sacrifice and give up to a degree of which the people of America have no conception, how much greater should our incentive be in a cause which is as holy as the enemy's is devilish.

## Summary of Results:

Having concluded a general survey of the situation, I wish now to state as briefly as possible what the Food Control organization has accomplished up to this, the date of my resignation. This has been set forth in greater detail under a series of headings which refer to the way in which the principal subjects of food control have been dealt with. These detailed accounts are submitted as a matter of record, and may or may not be published as appendices to my report, as your judgment may suggest; but there is a desire to have expressed in concrete form actual results, something regarding which there is a great deal of misapprehension, and, in many quarters, notwithstanding our efforts to give the widest publicity to every detail, a total lack of knowledge. I need not impress on you, who have a fairly intimate knowledge of internal food administration, that every concrete settlement of policy arrived at has been the result of weeks, and in some cases, months of patient investigation and negotiation, in which a great variety of conditions and apparently insignificant items that affect business in an important way, have been considered and sifted down to the very last analysis. The man who thinks, and there are many such persons, that the Food Controller can by a stroke of a pen achieve an apparently desirable object, would if his advice were followed, disorganize business throughout the country and ruin hundreds of dealers. As a particular instance, the United States Food Administration spent a long and anxious time in deciding as to the apparently simple proposition as to whether the wheatless day should be Sunday or Wednesday, and the considerations involved were important to the baker and to the consumer. A still more anxious and a longer time was spent along with the millers in arriving at what should be a standard flour and what the weight and composition of a standard loaf of bread. These instances are multiplied almost endlessly.

What the public does not understand without knowing inside working details, is that businesses large and small have to be adapted in machinery or organization, or in both, to the requirements of new conditions imposed, to achieve certain objects; and that further there must be intelligent reasons for every step taken and practical means devised. Most important of all, perhaps, success must depend upon the willing, and necessarily intelligent co-operation of the businesses affected, of producers and of dealers. The person who does not understand will not act.

Now, then, what the Food Control organization has accomplished by the means and the instrumentalities I have indicated, are succinctly as follows:



As a preliminary it was necessary to obtain general powers by order-in-council under the provisions of the War Measures Act. These are very wide, and are supplemented and rendered explicit from time to time as requirements dictate.

Practically without precedent to guide me, and with what advice and assistance I could get, I had to proceed slowly at first. In conformity with the aims of the office, special committees were appointed to study specific problems of food supply and distribution, and to make recommendations. The Chairman and nearly all the members of these committees—all practical men—have been serving voluntarily and without remuneration.

Arrangements were made through various agencies for correspondents in all the supply centres of Canada to report regularly upon prevailing market prices and stocks in hand. The information supplied by these reports must be the basis of all food control. This intelligence organization has been greatly perfected and is now very complete.

Realizing, as I have previously intimated, that the wholesale co-operation of the people with the aims of Food Control was an essential, and that they must know and understand what those aims are, an educational organization was established, which by means of the press, pamphlets, bulletins, cards, posters, sample bills of fare, cookery books, teachers, preachers, voluntary speakers, motion pictures, cartoons, women's societies, etc., etc., secured continued and very extensive publicity. A great deal has been accomplished by these means in the way intended, but much has to be done yet. It means keeping everlastingly at it—lest we forget.

As the result of our early investigations steps were taken towards control of the operations of dealers in regulating profits and obtaining an even flow of distribution and in securing the registration of dealers, wholesale and retail, and licensing them. With a full knowledge of all transactions from the time food commodities leave the hands of the producer until they reach the consumer, the Food Controller is enabled to keep the dealer upon good behavior under penalty of forfeiture of license and other penalties as may from time to time be provided for. The system of registration and licensing is now proceeding toward complete operation.

The great necessity and insistence of the Allies for meat and wheat, the two vital staples of war food, demanded that we should save all we can of beef, bacon and wheat bread in order that the Allies may have the more. For this purpose a regulation for eating houses was made, stipulating two meatless days per week and the use of meat to one meal on all other days. It is required that public

eating houses provide substitutes for white bread at all meals and the voluntary restriction of the use of meats, and the use of substitutes for white bread was urged upon housewives. The results of these have been marked, and from very complete returns for December, 1917, as compared with December, 1916, in respect of representative public eating places, the reduction in the use of beef was 49 per cent, of bacon 53 per cent and of white flour over 25 per cent.

The dire necessity of saving wheat for the Allies is illustrated by the fact that of the 450,000,000 bushels required until the next crop is harvested, Canada and the United States can only supply, from supplies in sight, 150,000,000 bushels. Comparing the supply of wheat from America for the period from August 1st, 1917, to December 15th, 1917, with the same period of 1916, the former is only 13/23rds of the latter.

The Food Control has circulated 1,150,000 pledge and window cards enlisting voluntary co-operation among householders in saving food, but the returns received are not yet sufficient to judge of results.

In order that substitutes for wheat should be available to the public in bulk, the sale of cereal foods in packages of less than 20 pounds weight, except under license, has been prohibited, with satisfactory results. The estimated saving by this order is 200,000 bushels of wheat.

A heavy waste of fresh vegetables was prevented and a saving effected in tins by the temporary prohibition of sale or purchase of canned vegetables to be made available in the winter months.

The use of grain of any kind, or of anything that can be used for food, for the distillation of potable liquors has been prohibited, except for the manufacture of alcohol required for industrial purposes and in the arts.

The embargo on the importation into and use in Canada of oleomargarine, as a substitute for butter, was removed, under regulations which protect the dairy interests, and oleomargarine is now being freely used in Canada. Another result of the order, has been that oleomargarine is also being manufactured in Canada.

The high price of milk was the subject of much complaint, and the commodity itself is one of great importance as food. The price as it affects the urban population of later years, is larger, due to the price of feed, but since the war began the demand for butter, cheese and condensed milk overseas greatly enhanced the demand, over which it was exceedingly difficult to get any control. The price of cheese was fixed at a maximum of 21½c per pound and steadied the price. To be strictly accurate, Canada fixed no price, but the British War Purchasing Department named a maximum



figure for export at 2½c per pound. The bidding for milk by the condensed milk factories in certain sections for export trade, was a factor in keeping it up. The milk committee which investigated the subject decided that the unnecessary overhead charges involved in individual deliveries could be considerably reduced, and a plan of co-operative delivery in seventeen cities of Canada it is estimated would save \$1,500,000 per annum, and it is now a question of adoption in the municipalities affected.

The question of fruits and vegetables was one presenting peculiar difficulties of price adjustment from the facts of the large number of small producers and the great varieties and wide area and varying conditions of production. The committee in charge after long and careful consideration, decided that it would be impossible to fix prices in the way the public seemed to demand. Thorough investigation in both eastern and western Canada disclosed that dealers had been doing business on a very small margin of profit. An embargo had been placed on apples by the British Government, but to assist growers in Nova Scotia who had a large surplus, a traffic officer was appointed to assist in the movement of the crop into the provinces west, and the situation was greatly improved. Potatoes were for a time distressingly high in price, notwithstanding that in several provinces there was a surplus in 1916, and a considerable scarcity existed in others. The farmers showed a disposition to hold for high prices, which is being overcome by efforts of our representatives. In 1917 there was a surplus of over 6,800,000 bushels in Canada, and prices are ranging from 80c to \$1.25 per bushel. The problem is by even distribution and larger substitution of potatoes for food to absorb this surplus without loss to the producers. Prince Edward Island, with a surplus of 2,000,000 bushels, has a special problem on account of lack of shipping. This is being solved by the use of a Government steam ferry; but the difficulties of moving the crop are increased by present railway facilities of transportation.\*

It may be noted here that special difficulties exist in the way of food control in all perishable commodities which include eggs, butter, fruit and vegetables and fresh fish and meats. They must be overcome by reasonable restrictions based on conditions of transportation and consumption, and the lever of control in this, as in all food commodities, is in the licensing system, and the general aims are to establish an even flow of distribution on a reasonable pre-war profit. In perishable commodities, the profit should be calculated upon periods of operation, so as to take consideration as

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\*NOTE.—“Surplus” in this case does not imply “available” surplus. The continued congestion of freight and the consequent lack of distribution facilities render much of the surplus unavailable to our larger centres of consumption. The Food Controller early recognized this condition and has striven to improve it.

well for losses in transit and shrinkage in prices. In non-perishable products profits can be calculated upon individual transactions.

When we come to wheat, milling, bread and the allied questions of by-products of milling for feed and substitutional products, we have had a very wide and complex question of regulation. This is being dealt with in a special memorandum too long to be epitomized in this report. In brief, the Government stabilized the price of wheat in order not to discourage production, and at the same time to minimize the cost to the consumer. We have limited the profits of millers, and at the same time have provided for the utilization of the milling by-products at as nearly as possible basic prices for animal feed purposes. We have arranged for a standard flour, and negotiations at time of writing are being carried on for a standard of bread, which in the final result will mean a large saving of the white flour content of wheat to be available in the equivalent of wheat for the Allies, and will establish an irreducible minimum of cost to the consumer.

The problem of ensuring Canada's supply of sugar was complicated by both domestic and international difficulties, and here again reference must be made to the detailed memorandum. For a time the price and supply of sugar seemed serious, and I may say that Mr. H. B. Thomson, acting as my personal representative in Washington and New York, satisfactorily completed arrangements with the United States Food Administration whereby Canada's supply of sugar is assured, and a temporary period of shortage was well bridged over.

The situation in regard to tinplate is explained in another memorandum. The supply for canners is somewhat precarious, and the solution of the problem lies in the substitution of containers of other material, and in the curtailing of the use of tin in whatever way it is not absolutely necessary.

From the outset a slogan of the Food Control has been "Eat More Fish" as a substitute for beef and bacon, in order that these may be liberated in greater quantities for the Allies. The fish situation is three-fold in aspect—as it is created on the Atlantic Coast, the middle west and on the Pacific. The effects of publicity and the efforts of the Fish Committee to make publicity effective in an increased supply, have been most satisfactory in as much as the consumption of fish has increased from 50 to 100 per cent.

The profits of packers has been a subject of a great deal of discussion, and while there appeared to be disproportionately large on account of the enormous turnover created by abnormal export demand, the rate of profit per pound of bacon was small and could not possibly have increased the price of bacon to the Canadian



consumer more than two-fifths of a cent per pound. This question has been a matter of special attention by the Government.

I have left to the last a subject which I can best define as continental co-operation in exports. A perfect understanding between Canada and the United States in the matter of foreign exports and international exchange of food products was necessary in order that the continent be kept water-tight in respect of exports of Canadian or United States origin that might leak out to countries other than those which it is the mutual policy to supply for war purposes, and that each country might be able to supply the other's wants in so far as supplies were available. After friendly conferences, a basis was arrived at that so far as Canada is concerned has been liberal, and I trust that in the United States our efforts are equally so regarded. The machinery necessary to carry out this policy of embargo and export and import by license took a little time to create, but in relation to the important work accomplished is exceedingly efficient and economical. One of the most gratifying of our achievements is the perfect entente cordiale which exists between the two countries.

Very faithfully yours,

W. J. HANNA,

Food Controller.

Ottawa, January 24, 1918.

# OFFICE OF THE FOOD CONTROLLER, OTTAWA.

## Statement of Expenditure for Six Months ending December 31st, 1917.

	DR.	CR.
TRAVELLING EXPENSE—		
Includes general expenses incurred by Special Committees, Provincial Committees and members of the Food Controller's organization....\$	18,865.57	
SALARIES—		
Includes salaries paid to the employees of the various Provincial Committees, as well as the general working staff of the Food Controller's organization.....	27,391.13	
GENERAL OFFICE EXPENSE—		
Includes sundry office expenses incurred by the various Provincial Committees.....	3,806.90	
PRINTING AND STATIONERY—		
Includes accounts for printing, Orders in Council, special reports, stationery and office supplies for the various outside Provincial and Special Committees.....	25,590.05	
ADVERTISING AND PUBLICITY—		
Includes special newspaper and magazine display advertising, educational and general publicity work .....	19,589.94	
TELEGRAMS—		
Includes cables and telegrams to and from the various Provincial Committees and general organizations throughout the country.....	3,545.28	
OFFICE FURNITURE—		
Includes general office equipment and supplies for Provincial Committee offices.....	1,963.56	
	<u>\$ 100,752.43</u>	
ACCOUNTABLE WARRANTS—		
Amounts advanced to Chairmen, Secretaries and volunteer workers, as contingent expense funds.....\$	6,750.00	
	<u>\$ 107,502.43</u>	
Accountable Warrants returned and deposited to credit of the Receiver General.....	907.28	
	<u>\$ 108,409.71</u>	
By amounts received as per Letters of Credit—		
July to December, 1917.....		\$ 205,000.00
To Balance.....	96,590.29	
	<u>\$ 205,000.00</u>	<u>\$ 205,000.00</u>



## APPENDICES.

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### APPOINTMENT OF FOOD CONTROLLER.

When war broke out in August the crop was practically ready for harvest. The 1915 crop was abundant, so that up till the year 1916 no food shortage was experienced. The ranks of the world's workers in all kinds of productive industry were being depleted in order to fill up the ranks of the army. Some thirty million workers were in arms, or engaged in industries having relation to war. Then came the crop shortage of 1916, world wide and disastrous, and we began at once to draw upon our reserves of food. By the end of 1916 our food reserves were very largely exhausted. The submarine menace had made it impossible to protect all trade routes. To bring food from Australia required three times the time and meant the use of an unprotected route. As far as was humanly possible the Atlantic route was protected, so that foodstuffs for the Allies began to be looked for largely from the North American continent. This made it imperative for Canada and the United States to feed the Allied nations and the fighting men. To meet the situation, the United States appointed Mr. H. C. Hoover Food Administrator, in May, 1917. In Canada, the Hon. W. J. Hanna was asked to take the office of Food Controller in June, 1917.

The Order-in-Council appointing a Food Controller for Canada was passed June 16, 1917. His powers defined in this order are: To ascertain the food requirements and facilitate the export of the surplus to Great Britain and her Allies, to provide for the conservation of food and the prevention of waste thereof, and to govern the consumption of food in hotels, restaurants, cafes, private houses, clubs and other places. He is authorized to purchase, requisition, store, sell and deliver food; and to take measures respecting the manufacture, preparation, storage and transport of food, and to fix prices.

### CORRESPONDENTS AND COMMITTEES.

Correspondents of the Food Controller's office were appointed in all the supply centres of all the provinces in Canada to report regularly upon the prevailing prices of food products. This keeps the Food Controller in constant touch with every phase of the trade in every part of the country.

Working in conformity with the aims of the office, the Food Controller appointed special committees to study specific problems of food supply and distribution and to make recommendations. The chairmen and nearly all the members of these committees **are serving without pay.**

The Committees formed and at work to date are:

- The Control of Public Eating Houses Committee,
- The Fish Committee,
- The Milk Committee,
- The Live Stock Committee,
- The Fruit and Vegetable Committee,
- The Millers' Committee,
- The Packers' Committee,
- The Cold Storage Committee.

Each of these committees is made up of acknowledged experts of wide experience.

Each of these committees from time to time, under authority of the Food Controller, reports, and recommendations are made and action taken.

I cannot particularize in regard to the members of the various general and special committees, including the Central Advisory Council and the several provincial organizations to whom I have written personal letters expressive of my appreciation of their valuable services and earnest co-operation in the work of Food Control. I am appending a list of the members of the special committees to indicate the character of the personnel as practical men and expert advisers. When I say that I have very largely, if not wholly, been guided by these men in matters upon which they were asked to deliberate and regarding which they made recommendations, despite the criticism that has been levelled at my administration, I can cheerfully bear the burden of responsibility involved.

## STAFF ORGANIZATION.

I may say a word about internal organization. It was planned to cover the various activities of the Food Control on as inexpensive a scale as possible, consistent with efficiency. I can only speak in the terms of highest appreciation of the service rendered by the administrative staff, and of their hard work and loyal co-operation at all times.

The Executive Head is the Food Controller, and he has an Advisory Council made up of the heads of Departments.

The Departments are:

- Education and Publicity,
- Production and Conservation,
- Domestic Science,
- Office Staff—

- Filing
- Information,
- Distribution,

Exports,

- Licensing,
- Accounting.

- Provincial Branches,
- International Relations.



#### FISH COMMITTEE.

G. F. Beer,  
R. Y. Eaton,  
W. S. Wiley,  
F. W. Wallace, Secretary.

#### MILK COMMITTEE

P. B. Tustin, Chief of Food and Dairy Division, Winnipeg  
(Chairman),  
W. A. Wilson, Dairy Commissioner, Saskatchewan.  
R. W. Wigmore, Commissioner, St. John, N.B.  
Dr. N. E. MacKay, Chairman Board of Health, Halifax, N.S.  
J. Bingham, Manager, Ottawa Dairy Co., Ottawa, Ont.  
T. Boucher, M.D., S.P.H., Medical Health Officer, Montreal,  
P.Q.  
W. R. Hamilton, Alderman, Vancouver, B.C.  
E. H. Stonehouse, President, Ontario Milk Producers' Association, Weston, Ont.

#### FRUIT AND VEGETABLE COMMITTEE

R. Robertson, Vancouver, for some years General Manager of the Okanagan United Fruit Growers.  
J. R. Hastings, Fruit Grower, Manager and Director of the Winona Growers' Limited, Winona, Ont.  
F. W. Black, Chief of Utilities Department, Edmonton, formerly manager of P. Burns & Co.'s Packing Houses and chain of retail stores.  
G. W. Allen, a well-known business man and lawyer of Winnipeg.  
Donald Johnson, Dominion Fruit Commissioner, Ottawa.  
Geo. Spencer, Chief Traffic Expert of the Railway Commission, Ottawa.  
Prof. M. Cumming, representing the Maritime Provinces.

#### LIVE STOCK COMMITTEE

Professor G. E. Day, Ontario Agricultural College, Guelph, Ont.  
(Chairman).  
Colonel Arthur Hatch, Hamilton, Ont.  
Controller R. H. Cameron, Toronto, Ont.  
A. J. Hodgson, Hodgson Bros. & Rowson, Montreal, Que.  
J. S. McLean, Harris Abattoir Co., Toronto, Ont.  
Colonel R. McEwen, Alloway Lodge Stock Farm, London, Ont.  
J. D. McGregor, Brandon, Man.  
Richard Dowler, Billings Bridge, Ont.  
H. S. Arkell, Acting Live Stock Commissioner, Department of Agriculture, Ottawa.

#### SPECIAL COMMITTEE ON LICENSES ON CEREAL PRODUCTS

R. Harcourt, Professor of Chemistry, Ontario Agricultural College, Guelph (Chairman).  
Dr. A. McGill, Chief Analyst, Department of Inland Revenue, Ottawa.  
P. B. Tustin, Chief of the Food and Dairy Division, Health Department, Winnipeg.  
W. S. Lecky, War Purchasing Commission, Ottawa.

## EDUCATIONAL ORGANIZATION.

A special staff under the direction of newspaper men was organized to carry on an educational campaign for food control. This work naturally divided itself into

- (1) News and free publicity;
- (2) Advertising and paid publicity.

The policy of the Food Controller as laid down at the beginning was that paid advertising was to be used for definite specific purposes only, such as to support the pledge card canvass in the different provinces, or to announce the inauguration of special fish transportation services, etc. Educational propaganda was to be issued in the form of news and other information of sufficient public interest to warrant editors publishing it for its own value.

The news developments of the Food Controller's office from day to day and statements by the Food Controller are put into the form of newspaper despatches and handed to the Ottawa Bureau of the Canadian Press, from whence they are telegraphed to every daily newspaper in Canada, to the number of 143. An average of half a column per day of such material has been handled in this way during the past six months and treated as live news.

In addition to the telegraphed despatches articles are sent to the daily papers at intervals, enlarging upon the news sent by telegraph, giving details and facts about the food situation. By mail weekly are also sent a series of seven daily "war menus" prepared by a domestic science expert on the Food Controller's staff, to be published on pages of daily newspapers edited for women readers.

For the weekly papers published in small rural communities, a weekly editorial based upon the uppermost current phase of the food situation, and a large number of small news paragraphs regarding food control matters are sent out by mail to 960 English and 82 French papers.

In addition to these services, special articles are sent to the large illustrated weeklies, and magazine sections of the dailies as published in the larger cities.

About 500 small papers are customers of the "ready print" or "patent inside" service, of which there are two in Eastern and one in Western Canada. A short editorial upon the food situation as affecting people in rural communities and a department consisting of answers to questions pertaining to production and waste elimination are contributed to these publications, and appear in about 500 weekly papers in addition to the matter such papers receive for their news columns directly from this office.

Monthly magazine editors are supplied with every possible assistance in preparation of special articles by their own writers and occasional contributions are made by members of the staff, or in form of messages and statements from the Food Controller.

The Educational Department also prepares and circulates the Canadian Food Bulletin. This pamphlet is issued fortnightly to a mailing list comprising some 30,000 names, including legislators, federal and provincial judges, clergymen, professors, crown attorneys, bank managers, Boards of Trade, public libraries, school inspectors, district representatives of Agricultural Departments, officials of labor unions and secretaries of all labor union branches,



6,000 of the leading business firms of Canada, officers of the Y.M.C.A., branches and members of the National Council of Women, Daughters of the Empire, Women's Institutes, W.C.T.U., all clubs in Canada, every daily, weekly and monthly newspaper and magazine in Canada, Commercial Travellers' Association officers, secretaries of local boards, Wholesale and Retail Merchants' Associations, etc., etc., and the mayors, advocates and physicians of the Province of Quebec.

The Educational Department has also circulated 1,000,000 food service pledge cards in the different provinces through the provincial committees of the Food Controller's organization, 630,000 copies of the pamphlet "War Meals," 600,000 copies of pamphlet, "Canning for Victory," 150,000 copies of illustrated pamphlet "Eat More Fish" and 30,000 copies of a hand book for speakers on the subject of food control. Practically all matter, whether for the press or for publication in the form of booklets, is printed in both French and English.

Copies of 50 representative daily newspapers and twenty magazines are received and clipped for the Information Bureau of the Food Controller's office. A summary of the printed comment and criticism is prepared for the Educational Department daily and circulated throughout the departments to keep the officers in touch with public opinion and with developments in the food situation the world over.

Printing is done by the Government Printing Bureau, and the heavier mailing jobs by the Distribution Bureau.

#### REGULATING EATING HOUSES.

The work of the Food Controller is directed primarily to meet the needs of our Allies and of our fighting men, and is carried on in close co-operation with the Food Administrations of Great Britain and the United States. Canada was asked to send beef, wheat and bacon in the largest quantities possible. These three commodities, which form a large part of our diet, can be more easily shipped and take less space than other food products of the same food value. We had not in Canada sufficient wheat, beef and bacon for normal consumption and for export in the amounts required. If we were to be able to export as desired, we must reduce the amount consumed at home. It was estimated that for that purpose throughout all of Canada wheat consumption must be reduced one-fourth and meat one-third.

In order to make sure that these commodities would be forthcoming in sufficient quantities, a special committee appointed to study the situation, recommended regulations which were embodied in an Order-in-Council, passed on August 17th, restricting the use of beef and bacon to once a day on five days of the week, and requiring that on the other two days no beef or bacon be served. This was made compulsory for public eating places or for boarding houses that served as many as twenty-five meals per day. It was made a matter of honor for private households, but they were asked, as a matter of patriotism, to go at least as far as the public eating places. Since this law has been in operation, statistics show that the consumption of bacon, beef and wheat has been greatly reduced, the reduction in meat going as high as fifty per cent in many instances.

## SUGAR.

The problem of ensuring Canada's supply of sugar was complicated by both domestic and international difficulties. Before the war the United Kingdom depended upon Europe for nearly 80 per cent of her sugar importations, the great bulk of this being supplied by Germany and Austria, in both of which countries the beet-sugar industry had been carefully developed. Only small quantities were imported from the West Indies, Java and other distant countries. France was approximately self-supporting as to sugar; but in the first months of war, lost much of her richest sugar-producing territory. The sugar production of Italy, which was much smaller even than that of France, has fallen rapidly since she became a belligerent.

Thus it comes about that Great Britain, France and Italy have become almost wholly dependent upon the Cuban and West Indian sugar crops. Whilst the Javan and Indian sugar crops have been heavy, lack of shipping has made it impracticable to render these available, the length of the voyage requiring at least three times the amount of tonnage to transport sugar from these countries, as compared with the shorter voyage through the West Indies. Thus, while there was no actual shortage in the world-supply of sugar, there was a very marked limit to the available amounts of that commodity.

During the first months after the inception of Food Control in Canada, the sugar situation became dangerously acute. In August the British Government reduced the household sugar ration to a basis of twenty-four pounds per annum per capita, as compared with the pre-war consumption of about ninety-six pounds per annum per capita. The French Government went even farther—it cut household rations down to 13.2 pounds. Throughout August and succeeding months of last year the United States Food Administration in collaboration with this Office made every effort to supply Great Britain, France and Italy with their requirements. This necessitated careful allocation of sugar in Canada, sufficient to meet actual requirements. Large quantities of sugar were practically appropriated, removed from the market, and shipped to Europe. At the same time educative campaigns were begun in the United States and Canada to urge upon the population a need of cutting down consumption.

As competitive buying and strong speculation threatened to enhance the price of the Cuban crop, the United States Food Administration took immediate steps to purchase the whole Cuban crop at a fair price, and so regulated sea-board prices as to be able to control wholesale and retail profits.

Acting as my personal representative in Washington and New York, Mr. H. B. Thomson satisfactorily completed arrangements with the United States Food Administration whereby Canada's supply of sugar was assured. Principally through his efforts, Canada was carried over the temporary period of shortage in the months of November and December. So effective was Canadian distribution that nowhere throughout the country was there any serious lack of sugar.

## THE OLEOMARGARINE INDUSTRY.

Under the recommendation of the Food Controller the manufacture of oleomargarine in Canada and its importation has been authorized as a War Measure only, and under regulations which protect the dairy interests from unfair competition and fraudulent practices. This action was taken because the high cost of butter and the demand for it overseas were making it impossible for many people to purchase fats in the quantities which were needed in their diet.

One result of the importation of margarine and its use being permitted in Canada, a new industry has been started and oleomargarine is now being manufactured in the country. For this purpose some of the important ingredients have to be imported from the United States.

## WHEAT AND MILLING.

The initial difficulties in regulating wheat and milling were very great. These involved the amount of wheat and flour required for export overseas; also international relations with the United States; also elevator charges and conditions of storing; the shortage of transportation facilities, and other things. At the outset the buyers for the British Government bought so freely and at such high prices that dealers contracted for so much grain for future delivery that they were unable to fill their orders. This caused the soaring in the prices of wheat, which took place for a period. The reason for this condition of things was that the British buyers did not come out of cover, and were dealing with a number of brokers, each bidding against the other, and speculating on their own account. The brokers themselves became entangled in the operations, with the final result that the British buyers agreed to having their options cancelled. The cancellations eased up the difficulties of the millers who were paying the premium between the option and the cash purchase price.

Immediately after this wheat flurry was ended the buying for export was concentrated in the hands of the Wheat Export Company. With the problem was also related the fact that large amounts of grain were being exported to American dealers and mills, in addition to what was sold to British buyers and this complicated the situation very much. The remedy was effected by making the Wheat Export Company the sole medium of export, so, as before stated, concentrating the purchasing power in one hand. The result was the reduction in the price of wheat, flour, corn, feed, etc.

In August of last year a maximum price of \$2.21 per bushel of wheat was fixed at Fort William and Port Arthur which ensures an average price of \$2 a bushel to the farmer, taking rates of freight into consideration. This was an arrangement effected as between the Wheat Export Company and the Board of Grain Supervisors.

Flour was reduced as a consequence about \$5 a barrel, with an ultimate corresponding reduction in the price of bread, which came down from 11 cents to 7-8 cents per 1-lb. loaf.



The next step in the process of regulation of wheat and milling was the fixing of the profits on flour, and that involved the consideration of the price of mill feeds. The flour content of a bushel of wheat determines the price of flour, and whatever price is fixed for flour or feed fixes the price of the other. The price of bran was fixed at \$24.50, and that of shorts at \$29.50, at Fort William and Port Arthur. The profit on the remaining content of flour was fixed at a maximum of 25 cents a barrel. Although bakers have complained that under the new arrangement they are discriminated against to the extent of 25c to 40c a barrel as compared with formerly, they have no grounds of complaint. What has happened is that all buyers of flour are placed on the same basis. Formerly the bakers bought their year's supply in the autumn, when prices were most favorable, whereas the retailer bought his supply from time to time, often when the market was at its highest. Now the price is uniform to everyone throughout the year.

The elevator, too, was involved in the problem. When the price of wheat was fixed in the fall of the year, after which the elevator had necessarily to carry it over, there was the question of insurance to be settled, which was done by an extra allowance of cost. There was also the considerable item of screenings, which the elevator men used to ship to the United States for feed purposes. Feed being an important factor in Canada, the export of screenings was prohibited.

The fixing of the price of wheat and the solution of the whole problem of wheat, flour and feed and bread required a good many steps and included transportation charges, elevator charges, insurance and other overhead charges, the several reductions of mill feed from the entire cost of milling to arrive at the cost of flour upon which a profit could be based, and a reasonable maximum price to insure the stimulation of production on the part of the farmer. All these things were finally arranged after much negotiation and numerous conferences in a manner which seems to be quite fair to all concerned, and although there are substantial differences between the grain and milling situation in Canada and the United States, the principle of control is the same in both countries.

The final step in wheat and milling was the adoption of a standard flour and although the matter is finally under consideration at the date of this report, the members of the Committee in whose hands it is, have not yet submitted their recommendations.

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(NOTE.—A standard flour has been adopted as the result of the report of the Committee in question. It consists of a 74 per cent extraction of a total flour content of wheat in which the wheat shall not exceed 265 lbs. of hard or spring wheat per 196 pounds of flour and shall not exceed 275 pounds of soft or winter wheat per 196 pounds of flour, the balance being made up of bran and shorts. This literally means that the best of the feed flour or Red Dog is now ground finer and put into flour, and the remaining quantity is put into shorts, thereby improving the feeding quality of the shorts, and also improving the nutritive quality of the flour for human consumption. Heretofore in Canada, as in the United States, there were a great many types of flour mills, each manufacturing its own standard brand with a variety of processes, and each milling company claiming certain exclusive merits for their brands. These brands were extensively advertised and the sale pushed by travellers. There is now only one standard of bread made from one standard of flour, and we have really got back to the standard of the old-fashioned grist mill.

## MILK.

The high price of milk is one of the problems of food control, and there are several factors affecting it. The tremendous demand for cheese for the supply of troops on all the fronts has proportionately increased the demand for milk. This affects the price of butter, inasmuch as it takes twice as much milk to make one pound of butter as one pound of cheese. By agreement, the price of cheese has been fixed at 21½ cents per pound as the lowest minimum for profit, consequently the wholesale price of butter becomes automatically 43 cents per pound. Another factor affecting the price of milk has been the high prices offered by the milk condensing plants in Canada and the United States in order to supply the foreign demand. Still another factor in the cost of milk is that of delivery.

The Milk Committee appointed by the Food Controller has carefully studied the cost of production of milk and questions in connection with the supply and prices of milk in urban municipalities. Their report offers a plan which if adopted would, it is estimated, effect a saving of more than \$1,500,000 in the cost of milk distribution in seventeen of the principal cities of Canada.

## FRUITS AND VEGETABLES.

A Committee of representative men to deal with fruit and vegetables was appointed in August. The first question which arose was the fixing of a price which the fruit and vegetable grower should be compelled to accept for his products, the item of more immediate consideration being apples. The situation in regard to that was created by the fact that the British Government had placed an embargo on the import of apples. The question was how to deal with the surplus in Nova Scotia which usually had its outlet in the Old Country.

Of all the matters to be dealt with by the Food Controller those of fruit and vegetables present the greatest difficulties. The difficulties must be obvious and arise from the perishable nature of the products and the multitude and wide range of producers, with few exceptions producers on a small scale.

The Committee, after long and careful deliberation and investigation decided that it would be impossible to fix prices in the way that the public seemed to demand. The evidence furnished, and statements of a number of leading dealers from Montreal, Toronto, Ottawa and the western part of Canada, made it clear that the legitimate wholesaler had been doing business on a surprisingly narrow margin. The solution of the problem was the registration and licensing of dealers, the practical effect of which is that the dealer is under the eye of the Food Controller.

Owing to the embargo on the export of apples to Great Britain, and the shortage of the Ontario crop, the Food Controller, acting through the Fruit and Vegetable Committee, after careful investigation of the apple situation in Nova Scotia, arranged to supply a traffic officer to assist in the movement of the Nova Scotia crop

to points in Ontario and Western Canada. This action has proved to be of very great service in facilitating the movement, and has made it possible for the crop to be marketed much more freely than would otherwise have been possible.

## MEAT PRODUCTS.

Prior to the outbreak of the war there were practically no shipments to Great Britain in dead meats. In pork, which in the main meant bacon, the high-water mark was in the year 1903, with a total export somewhere over 137,000,000 lbs. Since then the export was in diminishing quantities until 1913, in which year it had fallen to 2,766,000 lbs. Great Britain in the meantime was drawing supplies from other countries in which the price was cheaper, geography being also a factor. Not only were Denmark, Holland and Russia nearer and cheaper markets in which to buy, but they manufactured a milder kind of bacon which the Englishman preferred to ours. At the beginning of the war Russia was cut off completely in the Baltic Sea. The Scandinavian countries continued to ship, but Germany made heavy bids. Great Britain tried to bargain, but Germany offered more than Great Britain was prepared to pay. The situation was greatly accentuated after the unrestricted submarine campaign was set in motion, and then Great Britain had to turn her attention exclusively to Canada and the United States. She had in the past drawn largely from the United States, but as in Canada, trade gradually diminished until the war started. For the years 1915, 1916 and 1917 Canada's net exports of bacon were 108,022,082 lbs., 106,212,378 lbs. and 130,304,947 lbs., respectively.

Similar conditions existed in respect of beef, with the exception that England drew mainly from South America and Australasia. Canada's net exports in beef, which in 1901 were 8,163,000 lbs., sank to below the zero point. For ten years her exports of beef to Great Britain were practically nil. For the first year of the war, Great Britain continued to draw from old sources, but later the submarine warfare and shortage of shipping placed her dependence almost altogether on North America. As a consequence our net exports of beef were 17,044,321 lbs., 38,079,288 lbs., and 33,918,894 lbs. for the years 1915, 1916 and 1917 respectively. The United States in its exports of beef increased proportionately.

The buying is done through the British Purchasing Committee, whose headquarters are in New York. For the first two years of the war Canadian dealers consigned direct to Great Britain, but since supplies are purchased by the Committee as and delivered, at seaboard. The ships are supplied by the purchasing committee and shipments are made through Canadian or United States ports as shipping is most available at the time.

There has been no price-fixing in meats for export, and necessarily, the export price governs the price for home consumption. It is a question of making a bargain and the Purchasing Committee fix prices by negotiation both in Canada and the United States. There are no definite figures of production available upon which to



base estimates for this year, but the dealers state that the prospects for increased production, especially in hogs, but both in hogs and cattle, are good in Canada. High prices are the great incentives to production and any attempt to regulate them arbitrarily would be destructive of desired results. Excess profits can be, and are being, commandeered by the nation, so far as the dealer is concerned, and so far as the producer is concerned the price regulates the extent of his production within the limits of the possible.

## FISH.

(Owing to the importance of the fish question and the great difficulties encountered in arriving at a solution of all the various problems involved, from the Atlantic to the Pacific, I have had this memorandum written at unusual length in order that the subject might be more fully understood.—W. J. H.)

Since fish food is by far the most important available substitute for beef and bacon, the greater production of fish is a prerequisite to the maximum export of beef and bacon. The supplies of mutton, veal, poultry, eggs, etc., are limited. The limit of fish production has not been even approximately reached.

Though endowed with magnificent fishery resources Canada is far behind other nations in the development of her fisheries. Out of a population of 8,000,000 people, only 95,000 are engaged in the fishing industry. Nor are all of these constantly employed; with many of them fishing is but a desultory and seasonal occupation.

The salmon fisheries of the Pacific, the fisheries of the Great Lakes, those of the Gulf of St. Lawrence, and the cod fisheries of the Atlantic Banks, are operative only during the summer months. Those of the northern lakes of the prairie provinces are conducted only during the winter, as snow is essential to the transportation of the catch to the nearest railway line.

The methods employed, notably on the Atlantic shore and off-shore banks, are crude and primitive. Lack of adequate transportation facilities to points adjacent to prolific fishing grounds militates against supplying the Canadian market regularly with fresh fish. Fish caught in these remote areas must be preserved by means of salt, and the product reaches the market as dried, salted, or pickled fish. Of these the Canadian consumer takes but a small proportion, the bulk being exported to Europe, the West Indies, and South America. Roughly, 120,000,000 pounds of such fish find a market abroad. Salmon and lobsters caught in the areas distant from railways have to be canned. Though a great proportion of the world's supply of canned salmon and lobsters is produced in Canada, the waste is tremendous.

The supply of fresh fish from the Atlantic and the Pacific must come through the ports served by adequate transportation facilities. As the greatest consuming market is included in the area between Quebec City and Winnipeg, with long stretches of sparsely-settled territory between, the rail hauls of from 800 to 2,000 miles add to the difficulties of marketing sea-fish in a fresh condition. Express service has had to be used to the maximum in order to get fish to the consumer in prime condition. As heat is maintained in express

cars for at least seven months in the year, fish packed in ice suffers considerable deterioration in transit. Freight service in winter is used to a considerable extent; but transit by this means is slow, and sudden thaws cause losses and deterioration.

Though Canada is a large fish producing country, previous to July, 1917, it never featured as a large consumer. The Canadian public has been apathetic with regard to fish as a food. The retail trade remains even today, largely in the hands of butchers and grocers who carry fish as a side-line. The care of fish in most of the retail stores has received but scant attention, and the public has been repelled by the unsanitary methods of handling and displaying. For this and other reasons the ready market and good prices offered in the United States draw the bulk of our fresh fish.

Scattered over an area 4,000 miles wide, Canada's fish industry represents a huge unorganized activity where striking variations are met with in every 10° of longitude traversed. No particular fishery is conducted along lines similar to others. Conditions and methods vary in almost every instance. The only efforts made to standardize and organize the industry are attributable to the Canadian Fisheries Association, which was formed in the year 1915.

When the Fish Committee of the Food Controller's Office was appointed, it was entrusted with the task of increasing fish consumption throughout the Dominion. The members took office in July, 1917, and set to work to acquaint themselves with existing conditions.

The first condition requiring remedy was the notable lack of transportation facilities in marketing Atlantic fish. The Committee, after many negotiations, was successful in having a fast freight train placed in service on the Canadian Government Railways. This started from Mulgrave, N.S., picking up fish there from Canso, Hawkesbury and Cape Breton points, and collecting further shipments at Truro, N.S. The train, known as the Sea Food Special, runs whenever shipments can be collected, making the trip from Mulgrave to Montreal in forty-eight hours. Shipments for Ontario points are carried to Toronto and there distributed.

The problem of better retail handling was next taken up. It was found that the lack of proper refrigeration and display kept the public from buying more fish. The Fish Committee experimented with the Fish Display Case designed by the Marine and Fisheries Department, and decided to supply these cases to butchers and the smaller retailers of fish at half the cost—the Government bearing the other half—ten dollars. In this way 300 cases were distributed to butchers and fish dealers throughout the cities and towns east of Winnipeg.

Ignorance of the proper methods of preparation and cooking on the part of the housewife constituted another problem. The Fish Committee, therefore, compiled a Cook Book containing simple recipes and advocating the introduction of fish not commonly used, but in themselves most desirable and easily obtainable. 100,000 copies of this book in English, and 50,000 in French, were printed and distributed throughout Canada.

A comprehensive advertising campaign throughout the Province of Quebec so stimulated the use of fish as very materially to increase the per capita consumption. The Union of Canadian Municipalities gave the Fish Committee very material assistance in every province. The result has been a very widespread movement in the substitution of fish for beef and bacon.

In the course of further work the Fish Committee arranged conferences of both Canadian and United States lake Fish dealers. After sifting down the evidence it was decided to fix the maximum scale of prices to be paid the fisherman at various lakes for the different species of fish and also to fix the profits of wholesale handlers. Under the scale fixed the Canadian market is to receive primary consideration, and the highest priced fish—whitefish and trout—cannot be retailed for more than 16c per pound. Previously these fish retailed at from 18c to 22c per pound.

This particular problem involved a large amount of work. It called for expert technical knowledge of the fisheries, and determination of the costs of operations; of transportation charges, of railway shipping charges, and of freight charges from shipping point to markets, and a fair graduation of prices to the fisherman on the various scattered lakes, in order to avoid discrimination. In this work the Committee secured the co-operation of the United States Food Administration.

To enforce the regulations made, and to provide for the prompt punishment of infractions, it became necessary to deal with the licensing of all wholesale handlers of fish. Such a system, therefore, was established. By this means it is practicable to regulate exports, maintain supplies for the whole market, control profits, prevent hoarding and waste, discourage speculators, and to administer the industry sanely and efficiently.

Orders in Council were passed requiring all wholesale dealers in fish to register and secure licenses. They were required, amongst other things, to submit monthly sworn statements of the quantities of fish bought and sold and on hand, and the price, high and low, of each particular species.

To defray the expenses of the License Bureau, a nominal fee is charged—\$10 for every \$100,000 of sales up to and aggregating \$500,000, and \$5 for each \$100,000 over that amount. A fee of \$5 is charged for each branch of all wholesale houses. The fees were fixed at a low figure in order that the industry should not be penalized. Since the license regulations went into effect on January first, 1918, the wholesalers have cheerfully conformed to the regulations. Under the regulations the license number must be stamped on every box or barrel of fish shipped; and exports by non-licensed dealers can be stopped by the customs authorities at any time.

The Fish Committee of the Food Controller's Office has been able in many ways constructively to assist the fishing industry. For instance, in the month of September, 1917, an unforeseen shortage of gasoline threatened to tie-up the shore fishery of the Maritime Provinces. Through the efforts of the Committee, a trainload of gasoline tank cars was rushed to the coast and a serious



stoppage was averted. Similar action was taken in the case of a shortage of gasoline at Prince Rupert, B.C. Both of these instances might have meant a serious diminution of the fish supply.

The Committee was also instrumental, with the aid of the Deputy Minister of Naval Service, in securing the release of the steam trawler "Baleine" from Admiralty Service for service in the Atlantic coast fisheries. The addition of this trawler to the Canadian Fishing Fleet means an increase of some 300,000 pounds of fish monthly.

Fishing restrictions have been raised, and the limit of time and catch extended, in the lakes of British Columbia, Alberta, Saskatchewan and Manitoba, through the representations of the Committee to the Department of Marine and Fisheries. Hundreds of enquiries have been put in touch with supplies of fish, many retailers have been started in business, and others have been induced to enlarge existing businesses, through the activities of the Committee.

Transportation of fish has been greatly facilitated and any condition tending to hinder the movement or production of fish has been promptly corrected.

The Committee succeeded in securing prompt supplies of coal for large fish plants in Nova Scotia which otherwise would have had to close down, and a complete suspension of fishing operations was prevented. Coal was also procured to bunker a Canadian steam trawler, which otherwise would have been idle for a considerable period.

The Fish Committee is in constant touch with every phase of the industry. Shortage of bait for the fishermen has been relieved; coal, gasoline, gear, salt, and other necessary supplies for the fishermen have been procured. Transportation facilities and larger home markets have been developed—primarily, to release beef and bacon for export overseas, or, secondarily, with the object of erecting the Canadian Fishing Industry into a strong organic entity.

The following figures, received from a few of the wholesale and retail Canadian fish merchants testify to the effectiveness of the Committee's work:

#### NO. 1—RETAIL STORES.

October, November, December, 1916, Fish Sales . . . . \$	17,720.00
October, November, December, 1917, Fish Sales . . . .	21,040.00

#### No. 2.

October, November, December, 1916, Lake Fish Sales	32,047 lbs.
October, November, December, 1917, Lake Fish Sales	74,898 "
October, November, December, 1916, Sea Fish Sales	107,139 "
October, November, December, 1917, Sea Fish Sales	155,310 "

#### No. 3.

October, November, December, 1916, haddies and herring . . . . .	25,338 lbs.
October, November, December, 1917, haddies and herring . . . . .	38,182 "

#### No. 4.—WHOLESALESAERS.

October, November, December, 1916, Fish Sales....	119,812 lbs.
October, November, December, 1917, Fish Sales....	135,537 “

#### No. 5.—WHOLESALESAERS.

October, November, December, 1916, Fish Sales.....	935,714 lbs.
October, November, December, 1917, Fish Sales.....	1,207,145 “

#### No. 6.—WHOLESALESAERS.

	1916 lbs.	1917 lbs.
July to Dec., Fish Sales, Quebec .....	588,473	932,688
July to Dec., Fish Sales, Ontario .....	218,070	788,557
July to Dec., Fish Sales, Manitoba, Saskatchewan, Alberta and British Columbia .....	306,135	505,955
Total Fish Sales.....	1,112,678	2,227,200

#### No. 7.—WHOLESALESAERS.

July to December, 1916, Fish Sales.....	4,865,997 lbs.
July to December, 1917, Fish Sales.....	8,972,642 “

A Toronto wholesaler states that the increase is 80 per cent.

In conclusion, reference to a matter vitally affecting the fishing industry as a whole must not be omitted.

The effect of special political interests, local and otherwise, has been most disastrous. A sweeping revision of existing laws, both restriction and permission, is patently necessary.

An entirely new survey should be made of Canada's fishery resources, and regulations framed to encourage the maximum of production and development with due regard to necessary conservation, to arrest depletion. The present laws are in many cases inadequate and should be entirely revised.

1. The lobster fisheries will be utterly exhausted in from 10 to 15 years unless the ever-relaxing regulations be replaced by stringent measures of conservation. All lobster fisheries and all export trade in lobsters should either be restricted to the large (9 inches and over) crustaceans, or better, prohibited entirely for a given period, and the fishermen turned to other productive fisheries.

2. If the restrictions that now prevent the seining of pollock were removed wholly or in part, the annual catch of Atlantic fish would be largely augmented.

Particular attention should be paid to the herring fisheries of both the Pacific and Atlantic. The curing and packing of herring in Canada should be brought to a high standard in order that Canadian herring may compete equally with the high class herring of Great Britain and Scandinavia in the world's markets.

Technical education for our fishermen is a crying necessity. Though exploiting a fishery unrivalled for variety of edible species and inexhaustible supply, our fishermen are extremely deficient in training absolutely essential to the successful prosecution of their calling and far behind the fishermen of Great Britain, Scandinavia and Japan.

Utilization of fish waste should receive immediate attention. Fertilizers, cattle and poultry feed, oils of various kinds, can be manufactured from the unmarketable fish and fish offal at present thrown away to the extent of thousands of tons annually.

Localities adjacent to prolific fishing grounds should be equipped with material necessary for the encouragement of local fisheries. Break-waters and harbours should be provided for fishing craft, with aids to navigation to assist their ingress and egress; bait freezers and small cold storages erected under subsidy; tanks to take care of fish offal.

Instances could be multiplied. It must suffice to state that not only are there numerous abuses to be corrected, but there is a crying need of constructive regulation.

Particular attention is called to the conditions which exist on the Pacific Coast. Both demand serious international consideration and regulation.

In the Fraser river, in respect of the salmon which find it their natural home-coming fresh water, the loss represented last year was from six to eight million dollars in fish intercepted by American fishermen, creating a situation which means early abandonment of that river by both Canadian and American fishermen, or an international agreement for a period of entire cessation of fishing and uniform regulation of fishing operations thereafter. This is imperative.

In the north, as reference to the reports of Mr. J. P. Babcock, the Deputy Commissioner of Fisheries for British Columbia and the acknowledged chief authority on the fishery industry on the Pacific Coast, will show, the depletion of the halibut beds has proceeded to an extent which means extinction of the industry. If conjoint efforts are not taken to conserve the halibut this important food fish will soon disappear from the market. The problem must be dealt with internationally in regard to a large area in the waters contiguous to the northern British Columbia Coast and Alaska.

## TIN PLATE AND SHEETS.

The embargo placed on the export of pig tin by the British Government created an extraordinarily difficult situation. As neither plates nor sheets are manufactured in Canada, our supplies are drawn from the United States. The United States manufacturers, in turn, depend upon Great Britain for the necessary metallic tin—block and pig.

The shortage to "tinned" plates and sheets became so serious during the autumn of last year as to threaten the curtailment of the dairying, cheesemaking, and food-canning industries for the obvious reason that these are wholly dependent upon regular supplies of tinned containers and vat-plates.

A searching inquiry into stocks on hand, present and future requirements and the possibility of using substitutes, was promptly instituted by the Food Controller.

The questionnaires were sent out to the trade, to munitions manufacturers, and to all users of either plate or sheets. At the same time steps were taken to discourage the use of tin plates for



purposes (such as advertising signs, etc.) for which other material could be utilized.

When the situation was well in hand, the investigation was turned over to the Department of Trade and Commerce under whose auspices it is being completed.

During the course of the investigation strong representations were made to the British Government, through Lord Northcliffe and the Allied Purchasing Commission, advocating the shipment of pork and beans (now used in shipped quantities to our Armies) in bulk, with the object of saving cans and crates and conserving 50 per cent of the ocean freight space necessary for the carrying of canned goods.

Whilst action in this matter has been delayed, it is probable that the British Government will adopt the Food Controller's recommendation within a short time.

Meanwhile the search for a substitute for tin plate has met with considerable success. It is expected that, due to the Food Controller's suggestions, special non-metallic food-containers, will take the place of a very large quantity of tin-plate. Samples submitted have satisfactorily withstood every necessary test. When it is remembered that 75 per cent is used for food-containers, the possibilities are apparent.

The stoppage of the tinning of cooked pork and beans would not only release large quantities of tin plate, but would also effect a very considerable saving of precious ocean freight space. Were dried beans and salt pork shipped in bulk, the space saving would exceed 70 per cent of that used at present for the tinned goods. There is no known reason why the beans and pork could not be cooked in Great Britain or in France. If, for military reasons, it be necessary to can a certain amount, there is much to be gained by canning as close to the points of consumption as practicable.

As the result of the investigation, the following steps were recommended:

1. Licensing all canners.
2. Closely investigating the whole tin plate trade.
3. Officially investigating certain substitutes and enforcing the use of such as prove acceptable.
4. Controlling and preventing excessive wastage of tin containers for dairy purposes.
5. Determining exact current requirements of dairy and allied industries.
6. Close collaboration with the Department of Trade and Commerce, and the Department of Agriculture.
7. Restriction of range of sizes of cans used. (This implies the present suppression of many small decorative tin containers, and the standardization of the net weights of contents.)
8. Suppression of use of tin plate as a container for tobacco, candy, talcum, spices and other dry groceries, proprietary articles, etc., etc.
9. The substitution of lighter gauges for heavier wherever possible.

## CONTINENTAL CO-OPERATION IN EXPORTS.

One of the most important matters in connection with food control was the co-operation between the United States and Canada in the matter of exports, and a perfect understanding has been arrived at between the Food Controllers of the two countries. The United States in order to exert their full force, both in a military and commercial way as far as the war is concerned, and also to place themselves in the position of controlling all exports from the country to supply the Allies' armies and their civilian population in Europe, established an export license system whereby every ton of foodstuffs leaving the United States could only do so on obtaining a license, and then only to specified destinations.

Mr. W. E. Ireland of Toronto, loaned to the Food Controller by the T. Eaton Company, Limited, who has done important work on the Fish Committee, and in special missions to Washington, the Maritime Provinces and elsewhere, organized the Bureau of Licenses, and is in charge of that work incidentally.

The sudden action of the United States Food Administration of placing an embargo on the exportation of foodstuffs, oils, etc., to Canada, brought about the need of similar action on the part of Canada to co-ordinate all efforts in the desire to make the North American continent commercially water-tight. The organization of the staff and machinery for carrying out the embargo and licensing department had to be arranged over the week-end November 17th and ready for business on the 19th—which was accomplished—and from then on to the present time applications from export and import shippers from Halifax to Vancouver have been received by mail and wire on a large scale. Many difficulties were encountered but the securing of a large staff experienced in traffic, customs and export matters, made it possible to avoid a congestion of trade.

The embargo came into effect just prior to the close of navigation which made quick action necessary to prevent steamers being held at the head of the lakes and elsewhere, and the direct telegraphic service in the office made this possible and prevented delays so far as known, as no complaints were received. The great desire was to keep foodstuffs moving, and prevent congestion with the railways, until such times as the licensing system would be working smoothly, and the shipping public full understood the requirements.

The hearty co-operation of the Commissioner of Customs and his staff, with the License Department, was given continuously, and, in fact, part of the Customs staff was loaned to us, to assist in the carrying out of this work.

Visits were made to Washington in order to work out a joint policy on certain foodstuffs to United States and foreign countries, and also to place before the Export License Department of the War Trade Board certain immediate Canadian needs from the United States.

New York was also visited, consultations being had with the British Ministry of Shipping, the Wheat Export Company, the United States Food Administration, the Grain Commission and the Milling Division.

## PRODUCE AND COLD STORAGE.

Perhaps no subject coming within the realm of food control is more misunderstood in the public mind than that of the produce business, which in its several ramifications includes cold storage. There has grown up an impression that the middleman in food products is unnecessary and involving an overhead charge which should be eliminated. Another impression that has gained currency is that the cold storage facilities in addition to their legitimate functions are and have been used for the purpose of hoarding food products for speculation to the detriment of the public interest.

In regard to the whole subject there are two fundamental facts to be considered.

First, the producer cannot take his produce direct from the farm to the dealer.

Second, the middleman, storage and retailers must be provided to supply that service.

Up to the present, no intermediary agency has been devised to take the place of the system which in its essential principles has been in existence for all historic time. So far as the office of Food Control is concerned whatever matters of alleged abuse in speculative hoarding and of cold storage were complained of, they related to a time previous to the appointment of the Food Controller and are not necessary to be referred to here, nor have they ever come officially within his knowledge. They are matters, however, which now come within the sphere of his control under the new order of things and have received careful consideration. It did not appear from the reports of the Commissioner of the High Cost of Living that there were either injurious or illegal practices. In the conclusions of his published report he says: "I find that the operations of cold storage companies generally have been fairly conducted. There has been no illegal combination or any excessive accumulation on the part of any company," and nothing in the details of the report would suggest any other situation.

In order that there should be no grounds for the complaints that were echoed in the press and otherwise publicly, as soon as the food situation could be fully covered a committee was appointed to consider the regulations in which should be framed to govern the produce trade generally, and it is anticipated that very shortly these will be promulgated.

It is desirable to make a few observations on cold storage commodities, which are in the class of what is known as "perishable." These are eggs, butter, cheese, poultry, fresh meats, fish—fish, though in altogether separate storage by fish dealers—and, to a limited extent, fruits and vegetables.

It is necessary that perishable products should be taken as quickly as possible from the point of production to where they may be preserved in their best possible condition, and what the public does not fully realize is that certain articles of common consumption, such as butter and eggs, have their principal production during a very short season of the year, whereas their consumption continues in fairly uniform quantities throughout the year. If it were not for



the cold storage facilities there would be seasons of feast and famine each year, with plentiful supplies and low prices for a time and few supplies for the rest of the time at abnormal prices.

And in this connection another fact must be borne in mind. The whole method and process of cold storage in themselves must considerably increase the price to the consumer over original cost of collection. There are the original cost of collecting, freight rates to the storing centres, the overhead charges of storage and again the costs of distribution to the consumer. There are conditions of scarcity of supply, of weather, of congestion or lack of transportation and so on which are also additional factors of cost.

The object of cold storage is to maintain a uniform supply on the market, and it is a mistake to suppose that dealers carry over stocks from one season to another or allow commodities to spoil in order to keep up prices. It would be the poorest kind of business, and, as a matter of fact, every cold storage man endeavors to clean up his old stock before the new season opens. Any profit that could be expected by holding over would be more than compensated by loss in quality of goods. In fact, old stocks cannot be sold in competition with new stocks, except at much lower prices. Undoubtedly there have been abuses and excessive profits at times when special conditions favored, but they are the exceptions rather than the rule and under proper regulations these cannot very well recur.

## UTILIZATION OF GARBAGE.

The matter of the utilization of garbage has been seriously considered and initial steps toward investigation were taken. Not much has been done in Canada in a systematic way, but enough has been done in the United States to demonstrate the great value of the products which may successfully and profitably be salvaged in the larger cities. It is a matter which has been having the attention of the United States Food Administration and twenty-nine cities in the United States having a total population of 17,000,000, producing 1,200,000 tons of garbage per annum now dispose of their garbage by reduction. As a concrete result of the operation of these 29 plants, there are produced annually, 70,000,000 lbs. of grease valued at \$8,500,000 and 150,000 tons of fertilizer tankage valued at \$2,400,000. Expressed in results, the available use of garbage, directly and indirectly, are: Feed for hogs; fertilizer, in nitrogen, phosphate of lime and potash; fat, in glycerine for nitroglycerine and the manufacture of soap.

As, however, reduction works in an economical way are only practicable in cities of 75,000 of a population and over, a campaign of education is necessary toward allowing as little as possible of food products going into the garbage tins to be consumed in incinerators or dumped into the sea or elsewhere and lost. The waste of our methods, in respect of garbage, has been emphasized in the literature issued from the Food Controller's office and in the addresses of speakers. In any event, however, useful reduction works and other methods of salvaging garbage may be, no food should be put into the garbage tin, even in the well-grounded hope that it may be recovered in some other useful form.

## WHOLESALE GROCERS.

One of the most radically constructive steps to be taken by the Food Controller is the licensing of all wholesale grocers. Before this can be accomplished, an exhaustive report on the situation was necessary. A representation Committee was therefore selected—this consisted of six prominent wholesale grocers, with whom were associated Mr. P. B. Tustin, Chief of the Food and Dairy Department, Winnipeg, who acted as Chairman; and Mr. E. M. Trowern, Secretary, Dominion Board of Retail Merchants' Association of Canada.

The report drawn up by the Committee embodies not only a review of the present trade situation in Canada, but a series of general and specific recommendations, and an outline of a practicable licensing system applicable to all branches of the wholesale and retail trade.

In discussing certain prevalent abuses and malpractices, a dictum of Chief Justice Sir Glenholme Falconbridge is quoted:—

“The various cases of alleged oppression ‘and driving out of trade’ of persons who either openly, or by some ingenious device, aim to belong to the wholesale trade, and at the same time sell at retail, are thus easily understood. If this system were to be practised, it would injuriously affect and demoralize the trade, not only of the wholesaler, but of the retailer, and the consumer would certainly not be the better off in the long run.”

Pains are taken to demonstrate the necessary character of the part played by the wholesale merchant, and by all the legitimate successive traders.

For purposes of licensing the following classification was adopted, close definition being given each of the six groups:

- (1) Manufacturers,
- (2) Wholesalers,
- (3) Wholesale Jobbers,
- (4) Commission Merchants,
- (5) Brokers,
- (6) Retail Merchants.

Whilst these categories may be modified in the future, they have been found sufficiently explicit and inclusive for present purposes. The Committee performed a very useful task in sharply differentiating between the functions and province of each group, thus facilitating the elimination of mere speculators and superfluous middlemen.

The license regulations are so devised as practically to render profiteering impossible, or at least, immediately discoverable and punishable. Control, through revocation of licenses, is vested in the Food Controller. Monthly reports may be required of all licensees, and provision is made for keeping record of the movement in bulk of all foodstuffs.

Well-considered recommendations of a practical nature, touching such subjects as retail delivery of goods, advertising, combination sales, are included in the report, along with suggested license forms and graduated schedules of license fees for each of the six groups enumerated above.

The report finally recommends that all expenses of establishing the license system be borne by the trade itself; that a close system of trade control be devised; that all rebates, secret commissions, collusive methods, combination sales, etc., be prohibited; that the routes of commercial travellers be so regulated as to prevent overlapping; that a rigid system of stock returns be enforced; and that every branch of the trade be permitted only a limited percentage of profit on turnover.

The wholesale grocers' report was strongly endorsed by a Special Committee of the Retail Merchants' Association of Canada.



## ORDERS-IN-COUNCIL RELATING TO FOOD CONTROL.

DATE.	SUBJECT.
June 16, 1917.....	Regulations for appointment of Food Controller.
June 21, 1917.....	Appointment of Hon. W. J. Hanna as Food Controller.
July 3, 1917.....	Staff, Office of Food Controller; appointment of Todd, Willison and French.
August 1, 1917.....	Franking privilege extended to Food Controller.
August 9, 1917.....	Regulations applicable to Public Eating Places and use of wheat for alcohol prohibited; penalties imposed, etc.
August 18, 1917.....	Export of Flour prohibited.
August 23, 1917.....	Food Controller's Office; appointment of officers, clerks and others; authority to make such appointments, fix salaries, etc.
August 24, 1917.....	Canned Vegetables; prohibition of use of while fresh vegetables are available.
October 3, 1917.....	Franking privilege to secretaries of Provincial Committees of Food Controller's Office.
October 8, 1917.....	Food Control; Educational Bureau; appointments.
October 11, 1917.....	Regulations re wholesale producers and dealers. Must make returns, etc.
October 19, 1917....	Cereal Foods; Regulations re sale of.
Extra "Canada Gazette," October 25, 1917.....	Order of Food Controller extending time for commencement of Cereal Foods regulations.
October 23, 1917.....	Oleomargarine; Regulations re importation and sale of.
November 2, 1917...	Use of grain for distillation of potable liquors prohibited.
November 15, 1917...	Export of Foodstuffs; prohibition of.
November 15, 1917...	Licensing of dealers in Food, etc.; Regulations re, Food Controller authorized to fix profits, etc.
November 15, 1917...	Licensing of Mills for the grinding of flour, regulations for
November 19, 1917...	Oleomargarine; Regulations re handling of; Licenses for importation of to be issued from Office of Veterinary Director General.
2nd Extra "Canada Gazette," November 17, 1917.....	Order of Food Controller re manufacture, importation and sale of Oleomargarine.
November 19, 1917...	Food Control Regulations framed by Food Controller re Licenses for exportation of goods to allied countries, etc., approved.
November 27, 1917...	Manufacture of Malt; Regulations re.
December 3, 1917....	Prohibition of Export of certain foods to the United Kingdom, British Possessions, etc., except under license from Minister of Customs.
December 24, 1917...	Food Control Regulations re Cars containing food being held for longer period than 4 days, etc.
January 21, 1918....	Prohibition of Flour Mills of certain capacity operating without License after 28th January, 1918.

### PUBLICATIONS TO DATE

The following is a list of the publications and printed reports which have been issued by the Food Controller and the Canada Food Board to date:

The Candian Food Bulletin (*published every two weeks*)  
War Meals  
Canning Bulletin  
Speaker's Handbook  
Fish Cook Book  
Report of the Milk Committee  
Report of the Cereal Package Committee  
Report of the Produce Committee  
Report of the Committee of the Grocery Trade  
One Week's Budget  
Soldiers of the Soil Manual of Instructions.



